

**SCOPE OF SERVICES  
FOR  
UTILITY BILL AUDIT SERVICES  
RFP 0000002127**

**City of Milwaukee  
Office of the Comptroller  
Audit Division  
May 14, 2008**

## **1.0 INTRODUCTION**

The Procurement Services Section and the Comptroller of the City of Milwaukee (City) invite proposals from qualified Proposers for Utility Bill Audit Services.

### **1.1 Background**

The City is a full-service municipal government, providing services to approximately 590,000 residents, including police and fire protection, sanitation, health, culture and recreation, public works, conservation and development, and general government services. In 2006, annual expenditures for these government type activities, including the City owned Port, were \$784 million. In addition, the City operates three major enterprises, including a Water Works, Sewer Maintenance Fund (excluding wastewater treatment) and Parking Fund. Combined, 2006 expenditures for these three business-type activities were \$143 million.

The City has approximately 20 departmental locations reporting significant expenditures for gas and electric charges. Total gas and electric charges were \$14.7 million in 2006. These figures include both government-type and business-type activities.

In terms of City government operations, the City operates 67,427 street lights, 8,803 alley lights and 722 signalized intersections. The City also owns approximately 200 building facilities, including 108 Department of Public Works Facilities, 14 police facilities and 36 fire stations. Also included is the City's Port, which handles approximately 3.5 million metric tons annually. The Port facilities include, 7 terminals (including 1 ferry terminal), 5 warehouses, 10 cranes and 13 births.

In terms of the City's enterprise operations, the largest operation is the City's Water Works, which includes two water treatment facilities that pump 44.3 billion gallons annually. The City's Parking Fund enterprise operates 5 structures, of which 1 is leased. The City's Sewer Maintenance Fund enterprise handles the City's wastewater flow through a system of 956 miles of storm, sanitary and combined sewers. Wastewater treatment handled by the Milwaukee Metropolitan Sewerage District and is outside the scope of services for this Request for Proposals.

### **1.2 Scope of Work**

The City of Milwaukee is issuing this Request for Proposal (RFP) for Utility Bill Audit Services, to include gas and electric charges for the City's government and enterprise activities. The primary utility for gas and electric is WE Energies, with headquarters in Milwaukee.

The purpose of the utility bill audit is to identify potential errors in gas and electric utility billings to the City of Milwaukee. Secondly, the selected Proposer or Proposer(s) will advise City auditors regarding those non-proprietary procedures and techniques applicable to potential future in-house utility bill audits. The selected Proposer or Proposer(s) will be responsible for obtaining and delivering to the City all records identifying such errors, and preparing and filing the necessary documentation for filing a claim to recover any billing errors. Recovery effort is the responsibility of the Proposer or Proposer(s) selected, but the City may participate in such efforts, at its discretion. If the City participates in any recovery efforts, the selected Proposer or Proposer(s) will work with the City and make available all applicable records and correspondence to the utility companies.

In addition to the maximum recovery of any potential utility bill overcharges, deliverables include:

1. Utility bill audit status reports – Vendor(s) will submit monthly audit status reports indicating the number of billing errors detected, the type of billing errors, recommended action, and status of actions taken.
2. Final report of utility bill audit activities – Vendor(s) will submit a final report summarizing the audit process, its findings and resolution of findings.
3. Advice regarding the conduct of future in-house utility bill audits.

## **1.2 Proposal Evaluation Criteria:**

### **Compliance with the proposals submission requirements including independence and objectivity – Pass/Fail**

### **Proposed Project Team Qualifications and Experience – 40 Points**

The Proposer must provide a comprehensive description of its qualifications and experience in conducting a Utility Bill Audit as outlined in the Scope of Services section of this Request for Proposals. At minimum, this description should include the following:

1. Proposing firm name, address, telephone, and fax number.
2. A name of a person to contact for questions regarding the firm's proposal, as well as that person's title and telephone number.
3. The Proposer's form of business organization (e.g., sole proprietorship, partnership, corporation, etc.)
4. The Proposer's total number of professional employees.
5. A statement as to whether the Proposer is currently certified as an Emerging Business Enterprise (EBE) by the City of Milwaukee, as discussed under sections 1.4 below. If the Proposer is not an EBE firm, does the firm propose to work with an EBE firm on this engagement?

6. Proposers may be required to submit an Affirmative Action statement. Please provide the name, address and telephone number of the person to contact if such a statement is required.
7. Descriptions and references for at least three (3) projects where the Proposer's assigned project team members provided utility bill review services. Descriptions should include the type and size of client served, the nature of the services provided, the approach used by Proposer, and the benefits achieved (including recovery, if any); along with client reference contact information for the assigned Proposer project team members.
8. Indicate the number of years Proposer has conducted utility bill audits.
9. Proposers shall disclose any past business with the City.
10. Additional information useful for the evaluation of the Proposer's qualifications including the Proposer's identified project team for this engagement.

### **Audit Approach – 30 Points**

Describe the Proposer's approach to the utility bill audit. Detail all data, personnel time and other requirements of the City departments/operations involved. Describe the estimated time line for the Utility Bill Audit from the start of work through the receipt of any refunds. Disclose any City auditor requirements. Clearly describe all of the Proposer's operational requirements and any proprietary information or other material to be applied to the audit which the City will not have access to following audit completion.

### **Period of Review**

Indicate the proposed period of monthly utility bills to be audited.

### **Anticipated Timetable**

Indicate the anticipated audit timeframe from start to completion.

### **Compensation – 30 Points**

Provide a complete and thorough explanation of the basis for and the calculation of your proposed vendor compensation for utility bill audit services. Include all assumptions and, as necessary, provide sample calculations. Vendor compensation shall be proposed in one of the following two alternatives:

- a. **Fee-For-Services (no contingent fee).** If proposed compensation is assessed on a "Fee-For-Services" basis, indicate the total "all in" not-to-exceed cost for utility audit services.<sup>1</sup>

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<sup>1</sup> NOTE: There will be no separate compensation for travel, lodging and other out of pocket services.

- b. Contingent Fee (no fee-for-services).** If compensation is on a “Contingent Fee” basis, state the percentage fee proposed by your firm as a percentage of recovery of:

Refunds obtained from past bills: \_\_\_\_\_%

Future cost savings<sup>2</sup>: \_\_\_\_\_%.

For all “Contingent Fee” proposals, Proposers are required to include their proposed contract terms with their proposal submittal.

**Note: All eight copies of the cost proposal and all other documentation pertaining to compensation must be furnished in a single sealed clearly marked envelope. This envelope should be included within the shipping container/envelope but must be kept separate from the proposal copies. The cost proposal copies must be signed and dated.**

**It should be identified as follows:**

**RFP 0000002127**

**Cost Proposal Copies**

**Proposers Name**

### **EBE Participation**

The City of Milwaukee has an Emerging Business Enterprise Program for the purpose of increasing the level of Emerging Business Enterprise participation in City Contracts. An Emerging Business Enterprise is a small business concern that is owned, operated and controlled by one or more individuals who are at an economic or social disadvantage, or are disadvantaged with respect to education, employment, residence or business location or lack of business training. Firms that are City of Milwaukee certified Emerging Business Enterprises are encouraged to submit proposals.

Proposers who do utilize a City certified EBE for this contract will be eligible for up to 10 additional points for subcontracting a portion of the work with a City certified EBE vendor. In order to qualify for these additional EBE points, Proposers must provide details in their proposal response as to the percentage of the contract that will be subcontracted to the EBE vendor and a description of the meaningful services that the EBE subcontractor will be performing.

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<sup>2</sup> Fully define and explain the basis for “future cost savings”

EBE Forms A and B must be completed and returned with your proposal if you intend to utilize an EBE subcontractor. Failure to return these properly completed forms will result in disqualification for receiving the additional points for EBE participation.

For information on the City's EBE Program, contact Christopher Martin at (414) 286-5552.

#### **1.4 Contract Term**

Contract term will be for a period of three years from date of award with the option to extend for two additional one year periods upon mutual consent.

## **2.0 PROPOSAL PROCEDURES AND INSTRUCTIONS**

### **2.1 Schedule of Events**

<b><u>Events</u></b>	<b><u>Dates</u></b>
Request for Proposal (RFP) release date	5/19/08
Deadline for Proposal Questions	6/10/08
Answers to Questions Posted on Webpage	6/17/08*
RFP closing date	7/1/08*
Evaluation of proposals	Wk of 7/7/08*
Selection of Highest Ranked Proposer(s)	7/14/08*
Follow up Interviews (If required)	Wk of 7/14*
Negotiations	Wk of 7/14*
Award of Contract(s)	7/18/08*

**\*Tentative dates**

**Contract Commencement shall be (As soon as possible after contract award)**

### **2.2 Proposer Instructions**

Read and evaluate all materials enclosed in the proposal package.

Transmit questions for formal response on or before June 10, 2008. **Questions received after June 10, 2008 will not be considered.**

### 2.3 Incurred Costs

Vendors submitting proposals do so entirely at their expense. There is no expressed or implied obligation by the City to reimburse any individual or firm for any cost incurred in preparing or submitting proposals, for providing additional information when requested by the City or for participating in any selection interviews, including negotiations.

### 2.4 Contact Person/Questions

Proposers are specifically directed not to contact any City of Milwaukee staff other than Michael Drzewiecki for meetings, conferences or technical discussions related to this RFP. Unauthorized contact of any City personnel is a cause for rejection of the Proposal.

All communications/questions regarding this RFP should be directed to:

Michael T. Drzewiecki

Via email (preferred) at [mdrzew@milwaukee.gov](mailto:mdrzew@milwaukee.gov)

or

by fax at 414-286-5976.

Proposers are required to submit all questions or issues concerning this RFP by June 10, 2008. Questions received via telephone or after June 10, 2008 will not be considered.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in the RFP, the Proposer should immediately notify Mr. Drzewiecki in writing via email (preferred) at [mdrzew@milwaukee.gov](mailto:mdrzew@milwaukee.gov) or by fax at 1-414-286-5976 to request modification or clarification of the RFP prior to the closing date.

In the event that it becomes necessary to provide additional clarifying data or information, or to revise any part of this RFP, supplements or revisions will be provided in the form of an addendum to this RFP.

**Proposers are required to submit eight (8) copies of their Proposal (one clearly marked bound original, six clearly marked bound copies and one clearly marked unbound copy).**

It is the responsibility of the Proposer, prior to submitting a response to this RFP, to determine whether all addendums have been received and are included in the RFP.

### 3.0 OTHER

The Proposer's name and address must be clearly marked on all copies of the Proposal, and a distinct reference to the RFP must be marked clearly on the Proposal submission as illustrated below:

RFP #:	0000002127
Description:	Proposal for Utility Bill Audit Services
Closing Date:	July 1, 2008
Proposers Name:	

The RFP can be downloaded from the Procurement Services Sections web page at:

[www.milwaukee.gov](http://www.milwaukee.gov)

Click on City of Milwaukee

Click on Departments

Click on Department of Administration

Click on Business Operations Division

Click on Procurement Services Section

Click on Bids Pending

Scroll to RFP 0000002127

or copies can be obtained by emailing your request to [mdrzew@milwaukee.gov](mailto:mdrzew@milwaukee.gov). or by calling 414-286-3501.

**Jurisdiction, Venue, Choice of Law:** This RFP and any resulting contract shall be governed by and construed according to the laws of the State of Wisconsin.

**Negotiations:** The City may at its sole option, open negotiations with the highest ranked Proposer(s) after the proposal closing date and prior to award.

**Follow-up Interviews:** The City may conduct discussions with the highest ranked Proposer(s) who submitted a Proposal. Proposers must be available for interviews/presentations at City facilities or by phone on specific dates.



**Confidential Matters:**

**City Data:** All data and information pertaining to this RFP shall be treated by the Proposer and its agents as confidential. The Proposer and its agents shall not disclose or communicate the aforesaid matters to a third party or use them in advertising, publicity, propaganda, and/or in another job or jobs, unless written consent is obtained from the City.

**Vendor Data:** If any information submitted in the Proposal is confidential or proprietary, the Proposer must complete and include the Designation of Confidential and Proprietary Information with their proposal.

**Note:** Proposers should submit a signed copy of the Designation of Confidential and Proprietary Information with their proposal submittal even if not is designated as confidential and proprietary.

**Assignment:** The Proposer may not reassign any award made as a result of this RFP, without prior written consent from the City.

**Rejection:** The City reserves the right to reject any and all Proposals, to waive any informality in the Proposals that are received, to accept or reject any or all items in the Proposal, and to award a contract in whole or in part. Moreover, the City reserves the right to make no selection if Proposals are deemed to be outside the fiscal constraint or not in the best interests of the City.

**4.0 PERFORMANCE**

Proposers must insure that the personnel identified in their proposals possess the knowledge, skill and experience necessary to perform the needed tasks in an efficient and professional manner.

**5.0 CONTRACT ADMINISTRATION**

The Procurement Services Section will handle contract administration. The Office of the Comptroller will direct the proposer(s) in the execution of their work. The primary contact for the contract(s) will be the Comptroller's Auditing Manager.

**6.0 OUT-OF-POCKET COSTS**

Out of pocket costs will not be separately compensated, as noted under Section 1.3 Compensation above.

## 7.0 WORK PRODUCTS

All analyses, documentation, recommendations and other work products produced for each of contract that is awarded from this RFP by the City, shall remain the exclusive property of the City.

## 8.0 INVOICES

Invoices shall be submitted to the Comptroller's Auditing Manager.

## 9.0 FINANCIAL STABILITY

The City may request audited financial reports to confirm a Proposer's financial stability, and if financial stability is not substantiated the proposal may be rejected and awarded to the next highest ranked proposer.

## 10.0 PROPOSAL SUBMISSION REQUIREMENTS

Each of the eight proposal copies shall be submitted in the following sequence:

1. A signed cover letter
2. Table of contents listing the page number for each section
3. A signed copy of the first page of the RFP (Invitation to Bid) and the binding signatures page along with all of the other Invitation to Bid pages. Manual Signatures only. No facsimiles.
4. Signed copies of all addendums.
5. Signed and notarized copies of EBE Forms A and B, if applicable.
6. A signed copy of the Designation of Confidential and Proprietary Information Document.
7. Information requested under Section 1.3 Proposed Project Team Qualifications and Experience
8. Proposer's Audit Approach to include Period of Review and Anticipated Timetable found on Page 3 of this Scope of Services.
9. Cost Proposal in accordance with the Section titled "Compensation found on Pages 3 and 4 of this Scope of Services.

**Note:** All eight copies of the Cost Proposal Document shall be submitted in one separate single sealed clearly marked envelope. **This envelope should be included within the shipping container/envelope but must be kept separate from the proposal copies. The cost proposal copies must be signed and dated.**

**It should be identified as follows:**

**RFP 0000002127**

**Cost Proposal Copies**

**Proposers Name**

Contractors must utilize the Cost Proposal Document (Attachment A) for their submittal of the City's requested information. Submittal of the Proposer's compensation requirements on a form other than Attachment A may render your proposal non-responsive.

10. Other: Additional information that the Proposer deems necessary to include with their proposal response.